



# Joint Change in Employee Compensation Committee

## Idaho State Legislature

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January 24, 2020

To: Members of the 65<sup>th</sup> Idaho Legislature, Second Regular Session

The Joint Change in Employee Compensation (CEC) Committee has completed its hearings and deliberations. The committee received many reports, including an overview of the statutory requirements of Idaho's compensation system and information from the Division of Human Resources, the Division of Financial Management, and the Legislative Services Office. In addition, the committee received testimony from the public and agency directors. The committee also received information from the Office of Group Insurance about the employee group healthcare plan, the State Insurance Fund about workers' compensation insurance, and PERSI, Idaho's retirement system, about retirement benefits.

The CEC Committee recognizes that the goal of Idaho's total compensation system for state employees is to fund a competitive salary and benefit package that will attract qualified applicants to the work force, retain employees who have a commitment to public service excellence, motivate employees to maintain high standards of productivity, and reward employees for outstanding performance within the means reasonably available to the state. To that end, and in accordance with Section 67-5309C(4), Idaho Code, the CEC Committee offers the following recommendations to the Joint Finance-Appropriations Committee:

- 1. Salary Structure Adjustment:** The compensation schedule should be shifted upwards by 3% at the minimum, policy, and maximum pay rates in all pay grades for FY 2021, and the Legislature should fully fund that shift. The exception to the change is that the minimum wage would remain at \$7.25 per hour in pay grade D.

*ESTIMATED FISCAL IMPACT: \$248,000 from all fund sources to bring 318 employees up to the new minimum of the salary ranges.*

- 2. Specific Occupational Inequities:** The state should maintain the job classifications that currently have a payline exception to address specific recruitment or retention issues, as recommended in the FY 2021 Change in Employee Compensation & Benefits Report from the Division of Human Resources.

*ESTIMATED FISCAL IMPACT: There is no additional cost because the classifications are already covered in the personnel cost appropriation in each agency budget.*

### 3. Salary Increase:

- Merit-Based: The Legislature should fund an ongoing 2% increase in personnel costs to provide a merit-based increase for state employees with flexibility allowed for agency heads and institution presidents to distribute those funds as they see fit.
- Across-the-Board: Notwithstanding Section 67-5309, Idaho Code, or any other law to the contrary, the Legislature should fund an across-the-board increase of 2% for the 20 job classifications identified as the most in need of equity adjustments on page 10 of the FY 2021 Change in Employee Compensation & Benefits Report from the Division of Human Resources.

*ESTIMATED FISCAL IMPACT: The 2% CEC is estimated to cost \$30 million from all funds, of which \$14 million is from the General Fund and \$16 million is from dedicated and federal funds. The estimated cost to target the positions is \$1,453,400 from all funds, of which \$712,200 is from the General Fund and \$741,200 is from the dedicated and federal funds.*

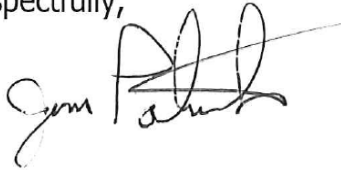
### 4. Employee Benefit Package:

- Health Insurance: The Legislature should maintain the current employee health insurance benefit package with no significant changes in plan design. Appropriation levels for FY 2021 should remain at the current level of \$11,650 per FTP.
- Retirement: The Legislature should maintain the current PERSI benefit package.

*ESTIMATED FISCAL IMPACT: No change from the current year appropriations.*

If any member of the Legislature has questions about our deliberations, please contact us.

Respectfully,



Senator Jim Patrick, Co-chair

Senator Jim Guthrie  
Senator Todd Lakey  
Senator Jeff Agenbroad  
Senator Janie Ward-Engelking



Representative Neil Anderson, Co-chair

Representative James Holtzclaw  
Representative Scott Syme  
Representative Mike Kingsley  
Representative John Gannon